

West Chester, PA — Joined by experts on the environment and workforce development, as well as more than 150 interested individuals, Congressman Joe Sestak (PA-07) emphasized the need for green job creation at West Chester University's Green Economy Forum. The Congressman stressed the significance of environmental and energy security to America's overall national security and explained the importance of related provisions that he supported as part of the American Recovery and Reinvestment Act ("Economic Stimulus Package").

Speaking about his environmental / energy security pillar, Congressman Sestak said, "Our energy policy requires a comprehensive approach that takes the best advantage of all types of energy, while recognizing the need to accelerate the transition to alternative, clean, and renewable sources. In 2006 alone, the renewable energy and efficiency industries generated 8.5 million jobs and nearly \$970 billion in revenue in the United States, showing that the development of alternative energy technologies is not only a long term solution to our dependence on foreign oil – which will improve our national security – but also a proven method of increasing our prosperity."

To secure this interest, Congressman Sestak voted in favor of the American Recovery and Reinvestment Act, which allocates a significant amount of money to clean energy technologies and other environmental restorative initiatives.

To ensure that legislation like the Stimulus Bill offers the appropriate incentives and benefits to encourage green economic growth, such as tax credits for investment and production of solar and wind power technologies, Congressman Sestak spends a significant amount of time meeting with a 30-member environmental/energy working group composed of businesses and other interested parties in the Pennsylvania 7th Congressional District and in Washington.

The "Pennsylvania Green Economy Forum", which was hosted by a coalition of environmental groups. The Forum focused on national climate change policy; the necessity for forging a clean energy economy; and, the ways in which green jobs and environmentally responsible industries can benefit Pennsylvania.

The forum brought together 150 people who listened to presentations by Kathleen McGinty, former PA DEP Secretary; Fred Dedrick, Deputy Undersecretary for Workforce Development, PA Department of Labor and Industry; Stephanie Madsen, Account Manager at Converge, Inc.; Michael Fedor, Director of Central PA Labor Federation; and, Adam Garber, Field Organizer for PennEnvironment. Sponsors including West Chester University Sustainability Council, Chester County Citizens for Climate Protection, National Audubon Society, PennEnvironment, and the Union of Concerned Scientists worked together to organize the event.

Specifically, the "green" provisions of the Economic Stimulus Bill provide:

Tax Incentives for Renewable Energy and Energy Efficiency to Spur Energy Savings and Create Green Jobs (\$20 billion over 10 years)

Long-term extension and modification of renewable energy production tax credit. The bill would extend the placed-in-service date for wind facilities for three years (through December 31, 2012). The bill would also extend the placed-in-service date for three years (through December 31, 2013) for certain other qualifying facilities: closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; waste-to-energy; and marine renewable facilities.

Temporary election to claim the investment tax credit in lieu of the production tax credit. Under current law, facilities that produce electricity from solar facilities are eligible to take a thirty percent (30%) investment tax credit in the year that the facility is placed in service. Facilities that produce electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy, and marine renewable facilities are eligible for a production tax credit. The production tax credit is payable over a ten-year period.

Because of current market conditions, it is difficult for many renewable projects to find financing due to the uncertain future tax positions of potential investors in these projects. The bill would allow facilities that are placed-in-service in 2009 and 2010 to elect to claim the investment tax credit in lieu of the production tax credit.

Repeal subsidized energy financing limitation on the investment tax credit. Under current law, the investment tax credit must be reduced if the property qualifying for the investment tax credit is also financed with industrial development bonds or through any other Federal, State, or local subsidized financing program. The bill would repeal this subsidized energy financing limitation on the investment tax credit in order to allow businesses and individuals to qualify for the full amount of the investment tax credit even if such property is financed with industrial development bonds or through any other subsidized energy financing.

Removal of dollar limitations on certain energy credits. Under current law, businesses are allowed to claim a thirty percent (30%) tax credit for qualified small wind energy property (capped at \$4,000). Individuals are allowed to claim a thirty percent (30%) tax credit for qualified solar water heating property (capped at \$2,000), qualified small wind energy property (capped

at \$500 per kilowatt of capacity, up to \$4,000), and qualified geothermal heat pumps (capped at \$2,000). The bill would repeal the individual dollar caps. As a result, each of these properties would be eligible for an uncapped thirty percent (30%) credit.

Clean Renewable Energy Bonds ("CREBs").

- The bill authorizes an additional \$1.6 billion of new clean renewable energy bonds to finance facilities that generate electricity from the following resources: wind; closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; marine renewable; and trash combustion facilities. This \$1.6 billion authorization will be subdivided into thirds: 1/3 will be available for qualifying projects of State/local/tribal governments; 1/3 for qualifying projects of public power providers; and 1/3 for qualifying projects of electric cooperatives.

Qualified Energy Conservation Bonds.

- The bill authorizes an addition \$2.4 billion of qualified energy conservation bonds to finance State, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions. The bill would also clarify that qualified energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs.

Tax credits for energy-efficient improvements to existing homes.

- The bill would extend the tax credits for improvements to energy-efficient existing homes through 2010. Under current law, individuals are allowed a tax credit equal to ten percent (10%) of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during the taxable year. This tax credit is capped at \$50 for any advanced main air circulating fan, \$150 for any qualified natural gas, propane, oil furnace or hot water boiler, and \$300 for any item of energy-efficient building property. For 2009 and 2010, the bill would increase the amount of the tax credit to thirty percent (30%) of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements during the taxable year. The bill would also eliminate the property-by-property dollar caps on this tax credit and provide an aggregate \$1,500 cap on all property qualifying for the credit.

Tax credits for alternative fuel pumps.

- The alternative refueling property credit provides a tax credit to businesses (e.g., gas stations) that install alternative fuel pumps, such as fuel pumps that dispense E85 fuel, hydrogen, and natural gas. For 2009 and 2010, the bill would increase the 30% alternative refueling property credit for businesses (capped at \$30,000) to 50% (capped at \$50,000). Hydrogen refueling pumps would remain at a 30% credit percentage; however, the cap for hydrogen refueling pumps will be increased to \$200,000. In addition, the bill would increase the 30% alternative refueling property credit for individuals (capped at \$1,000) to 50% (capped at \$2,000). This proposal is estimated to cost \$54 million over 10 years.

Enhanced R&D Credit.

- The bill would provide for an enhanced twenty percent (20%) R&D credit in taxable years beginning in 2009 and 2010 for research expenditures incurred in the fields of fuel cells, battery technology, renewable energy, energy conservation technology, efficient transmission and distribution of electricity, and carbon capture and sequestration. This proposal is estimated to cost \$18 million over 10 years.

Clean Water and Water Resources.

- This section creates more than 375,000 jobs by modernizing our nation's water systems to strengthen the safety and cleanliness of our water and to ensure that 3.4 million rural households have new or improved service; Experts note that \$16 billion in water projects could be quickly obligated. [National Governors' Association and the Association of State and Interstate Water Pollution Control Administrators]; expands efforts at environmental restoration, flood protection, hydropower, and navigation infrastructure and providing clean, reliable drinking water to rural areas critical to the economy through the Army Corp of Engineers and the Bureau of Reclamation; strengthens environmental cleanup efforts for Superfund, cleanup of petroleum leaks from underground storage tanks, nuclear waste cleanup, and brownfields that have the added benefit of creating jobs.

\$19 billion for clean water, flood control, and environmental restoration.

Clean Water State Revolving Fund:

- \$6 billion for loans to help communities upgrade wastewater treatment systems.

- EPA estimates a \$388 billion funding gap. The Association of State and Interstate Water Pollution Control Administrators found that 26 states have \$10 billion in approved water projects.

Drinking Water State Revolving Fund:

- \$2 billion for loans for drinking water infrastructure. EPA estimates there is a \$274 billion funding gap. The National Governors Association reported that there are \$6 billion in ready-to-go projects, which could quickly be obligated.

Rural Water and Waste Disposal:

- \$1.5 billion to support \$3.8 billion in grants and loans to help communities fund drinking water and wastewater treatment systems. In 2008, there were \$2.4 billion in requests for water and waste loans and \$990 million for water and waste grants went unfunded.

Corps of Engineers:

- \$4.5 billion for environmental restoration, flood protection, hydropower, and navigation infrastructure critical to the economy. The Corps has a construction backlog of \$61 billion.

Bureau of Reclamation:

- \$500 million to provide clean, reliable drinking water to rural areas and to ensure adequate water supply to western localities impacted by drought. The Bureau has backlogs of more than \$1 billion in rural water projects and water reuse and recycling projects.

Watershed Infrastructure:

- \$400 million for the Natural Resources Conservation Service watershed improvement programs to design and build flood protection and water quality projects, repair aging dams, and purchase and restore conservation easements in river flood zones.

International Boundary and Water Commission:

- \$224 million to repair flood control systems along the international segment of the Rio Grande damaged by hurricane Katrina and other serious storms.

Environmental Cleanup

- Superfund Hazardous Waste Cleanup:
 - \$800 million to clean up hazardous and toxic waste sites that threaten health and the environment. EPA has 1,255 sites on its National Priority List, selected based on a hazard ranking system. There are many Superfund sites ready for construction, but not funded due to budget shortfalls and over 600 sites with ongoing construction that could be accelerated.

- Leaking Underground Storage Tanks: \$200 million for enforcement and cleanup of petroleum leaks from underground storage tanks at approximately 1,600 additional sites. There are an estimated 116,000 sites with the potential to contaminate important water supplies.

- Nuclear Waste Cleanup:
 - \$500 million for nuclear waste cleanup at sites contaminated as a result of the nation's past nuclear activities. Accelerating the completion of projects will reduce long-term costs.

Closed Military Bases:

- \$300 million for cleanup activities at closed military installations allowing local communities to redevelop these properties for productive use. The Department estimates that there is a \$3.5 billion environmental cleanup backlog at bases closed during previous BRAC

rounds.

NOAA Habitat Restoration:

\$400 million for ready-to-go habitat restoration projects.

Brownfields:

- \$100 million for competitive grants for evaluation and cleanup of former industrial and commercial sites - turning them from problem properties to productive community use. Last year EPA was only able to fund 37% of Brownfields applications.

While the stimulus will not immediately reverse the economic downturn, it will provide a vitally needed boost to the flagging economy and prevent what is now a serious recession from becoming a depression by preventing even more job loss, small business termination, homeowner foreclosure, and a more severe budget deficit because of a greater decline in the economy. The failure to pass this stimulus would mean GDP would not return to its previous 2007 peak by the beginning of 2011, but rather in 2014; and millions more would be unemployed by that time. In fact, the unemployment rate would be over 11.5% percent (11% marks an economic downturn as a depression) rather than 9% by the end of this year if the stimulus bill is passed.

“As we begin this new session of Congress in the midst of economic turmoil, our foremost priority must be to reduce the financial strains felt by millions of American families, while immediately stabilizing our economy. Since September, I have been dedicated to creating and supporting a stimulus package that balances short term investment with long term fiscal responsibility – a policy that ensures that not only our generation enjoys the fruits of a robust economy, but that the next generation is not burdened by a devastating debt. I believe that based on the compelling evidence, the future debt would be exponentially worse if no action is taken and therefore I joined 243 of my colleagues in supporting passage of this urgently needed stimulus,” said Congressman Sestak.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in

Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the Congress.

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